



STATE OF TENNESSEE – LOCAL EDUCATION  
EMPLOYEE GROUP  
POSTRETIREMENT HEALTH BENEFITS

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*Actuarial Valuation Report  
as of July 1, 2007*



June 24, 2008

Ms. Dianne McKay, CPA  
Financial Oversight, Manager  
Department of Finance and Administration  
312 8<sup>th</sup> Avenue North, 14<sup>th</sup> Floor Tennessee Tower  
Nashville, TN 37243

Dear Ms. McKay:

This report summarizes the results of our actuarial valuation of postretirement health benefits for Local Education employees under the Local Education Employee Group Plan for the fiscal year beginning July 1, 2007. Obligations associated with the Tennessee Plan are valued separately.

The purposes of this report are to:

1. Estimate the employer obligation for retiree health benefits under the plan as of July 1, 2007
2. Determine the Annual Required Contribution (ARC) for the fiscal year ending June 30, 2008 under GASB 45 for the local education entities
3. Provide additional information for planning.

As requested by the State, we have allocated the State's direct (service-based) subsidy as well as the implicit premium to the LEAs.

Our results are based on census data and health plan rates provided by the State of Tennessee, and the actuarial methods and assumptions shown in Exhibit 3.

This report is provided solely as guidance for participating local employers. The actuarial assumptions and methods used were developed for the plan as a whole, and may or may not be appropriate for an individual employer. Each employer should determine if these actuarial assumptions and methods are appropriate for its specific demographics and healthcare environment. In addition, local employers that provide other postemployment benefits outside of the State plan will need to separately value and report these benefits.

We certify that we are Members of the American Academy of Actuaries and meet its qualification standards for issuing this Statement of Actuarial Opinion. This valuation was prepared in accordance with our understanding of the requirements of Governmental Accounting Standards Board Statement 45 and the principles of practice prescribed by the Actuarial Standards Board.

Respectfully submitted,

Andrew C. Stratton, FSA, MAAA, EA  
Principal, Consulting Actuary

Amy D. Whaley, FSA, MAAA  
Principal, Consulting Actuary

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# Highlights

	July 1, 2007 - \$ in thousands			
	State Direct Subsidy Allocated to LEA	Explicit Subsidy	Implicit Subsidy	Total
Present Value of Future Benefits	\$470,929	\$422,150	\$874,074	\$1,767,153
Unfunded Actuarial Liability	\$252,546	\$216,391	\$462,651	\$931,588
Annual Required Contribution	\$25,579	\$25,470	\$51,021	\$102,070
Discount Rate	4.5%	4.5%	4.5%	4.5%
Payroll Growth for Amortization Payment	3.0%	3.0%	3.0%	3.0%
Expected First Year Net Payments	\$14,306	\$9,280	\$21,727	\$45,313

## Summary of Data

Actives	64,090
Retiree/Surviving Spouse/Spouse Contracts	4,952
Disableds	209

# Exhibit 1

## *Development of Annual Required Contribution*

(\$ in thousands)

	State Direct Subsidy Allocated to LEA	Explicit Subsidy	Implicit Subsidy	Total
<b>Present Value of Future Benefits</b>				
Retired	\$81,028	\$46,833	\$124,501	\$252,362
Active	\$389,901	\$375,317	\$749,573	\$1,514,791
Total	\$470,929	\$422,150	\$874,074	\$1,767,153
<b>Actuarial Liability</b>				
Retired	\$81,028	\$46,833	\$124,501	\$252,362
Active	\$171,518	\$169,558	\$338,150	\$679,226
Total	\$252,546	\$216,391	\$462,651	\$931,588
<b>Fair Value of Plan Assets</b>	\$0	\$0	\$0	\$0
<b>Unfunded Actuarial Liability</b>	\$252,546	\$216,391	\$462,651	\$931,588
<b>Expected First Year Net Payments</b>	\$14,306	\$9,280	\$21,727	\$45,313
<b>Annual Required Contribution</b>				
Normal Cost	\$14,815	\$16,247	\$31,302	\$62,364
Amortization of Unfunded Actuarial Liability	\$10,764	\$9,223	\$19,719	\$39,706
Total	\$25,579	\$25,470	\$51,021	\$102,070

## Exhibit 2

### Summary of Census Data

Attained Age	Active Employees										
	Completed Years of Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
<b>Under 25</b>	795	528	10								1,333
<b>25 to 29</b>	1,013	3,349	869	9							5,240
<b>30 to 34</b>	760	2,086	3,152	588	10						6,596
<b>35 to 39</b>	760	2,091	2,261	2,420	403	7	3	1			7,946
<b>40 to 44</b>	620	1,819	2,162	1,656	1,371	195	5	1			7,829
<b>45 to 49</b>	493	1,594	2,178	1,791	1,695	565	240	6	2	1	8,565
<b>50 to 54</b>	408	1,220	1,829	1,943	2,502	508	677	359	4	1	9,451
<b>55 to 59</b>	320	948	1,523	1,606	2,594	572	486	622	215	4	8,890
<b>60 to 64</b>	158	539	853	897	1,335	327	295	195	194	49	4,842
<b>65 &amp; over</b>	52	204	425	570	1,186	265	251	174	120	151	3,398
<b>Total</b>	5,379	14,378	15,262	11,480	11,096	2,439	1,957	1,358	535	206	64,090

## Exhibit 2

### Summary of Census Data

*(continued)*

Retirees/Surviving Spouses, Spouses, and Disabled Former Employees			
Attained Age	Retirees/Surviving Spouses/Spouse Contracts	Disableds	Total
<b>Under 40</b>	4	0	4
<b>40 to 44</b>	6	5	11
<b>45 to 49</b>	19	12	31
<b>50 to 54</b>	272	24	296
<b>55 to 59</b>	1,793	66	1,859
<b>60 to 64</b>	2,735	91	2,826
<b>65 to 69</b>	53	3	56
<b>70 to 74</b>	23	4	27
<b>75 to 79</b>	10	1	11
<b>80 to 84</b>	13	1	14
<b>85 to 89</b>	16	2	18
<b>90 to 94</b>	5	0	5
<b>95 to 99</b>	3	0	3
<b>100 and Over</b>	0	0	0
<b>Total</b>	4,952	209	5,161

# Exhibit 3

## *Actuarial Assumptions and Costs Method*

**Valuation Date:** July 1, 2007

**Discount Rate:** 4.5%

**Cost Method:** Projected Unit Credit with benefits attributed from date of hire to assumed termination of employment.

**Amortization Method:** 30 year level percentage of payroll assuming total annual payroll growth of 3%.

**Preretirement Mortality:**

Age	Male	Female
20	0.03%	0.02%
30	0.05	0.02
40	0.07	0.05
50	0.17	0.09
60	0.51	0.29
70	1.53	0.89
80	4.00	2.54
90	9.87	7.50

**Postretirement Mortality:**

Age	Male	Female	Disabled
20	0.03%	0.02%	3.55%
30	0.05	0.03	2.17
40	0.10	0.07	2.20
50	0.31	0.17	2.74
60	0.60	0.47	3.95
70	1.93	1.32	5.32
80	6.10	4.26	8.70
90	18.21	13.67	18.03

**Disability Rates:**

Age	Male	Female
20	0.01%	0.01%
25	0.01	0.01
30	0.01	0.01
35	0.02	0.02
40	0.08	0.08
45	0.14	0.14
50	0.20	0.20
55	0.20	0.20
60	0.00	0.00

# Exhibit 3

## *Actuarial Assumptions and Costs Method*

(continued)

**Service Retirement Rates:** Retirement rates prior to age 60 apply only if the participant has completed 30 years of service.

Age	Rate	Age	Rate
50	6.5%	63	19.5%
51	7.0	64	24.0
52	7.0	65	37.5
53	8.5	66	30.5
54	9.0	67	28.5
55	10.0	68	28.5
56	12.0	69	28.5
57	13.5	70	100.0
58	14.0	71	100.0
59	14.5	72	100.0
60	15.0	73	100.0
61	20.0	74	100.0
62	26.0	75	100.0

Additional rate of retirement in the year in which an active first reaches age 60 and 15 years of service

8.0%

Additional rate of retirement in the year in which an active prior to age 60 first reaches 30 years of service

12.5%

### **Sample Termination and Early Retirement Rates<sup>1</sup>**

Age	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	Male <sup>2</sup>	Female <sup>2</sup>
20	18.00%	13.50%	9.68%	10.50%
25	18.00	13.50	8.40	9.90
30	18.00	13.50	6.21	7.71
35	18.00	13.50	3.92	5.08
40	18.00	13.50	2.17	2.73
45	18.00	13.50	1.37	1.33
50	18.00	13.50	1.77	1.47
55	18.00	13.50	3.40	3.70
60	18.00	13.50	5.00	5.00

<sup>1</sup> Termination rates cease at the earlier of age 60 and 30 years of service

<sup>2</sup> Ultimate rates apply beginning on an employee's 3<sup>rd</sup> year of employment

# Exhibit 3

## Actuarial Assumptions and Costs Method

(continued)

### Plan Participation For Future Retirees And Spouses:

Eligible employees are assumed to elect postretirement coverage for themselves and their spouses at a rate based upon the level of State and employer explicit subsidy provided, which varies by service level and also by employer. Eligible members are assumed to elect immediate coverage at assumed termination of employment.

For each employer, the assumed participation rate, spouse participation rate and plan election assumptions shown below.

#### Participation for Future Retirees

City	Service Requirement	Retiree Participation	Spouse Coverage Rate	Plan Election
Athens City <sup>1</sup>	30+	60%	20%	High PPO with HMO
Athens City	20-29	55%	20%	High PPO with HMO
Athens City	<20	50%	20%	High PPO with HMO
Athens City	Support	35%	20%	High PPO with HMO
Bradley	20+	90%	20%	High PPO with HMO
Bradley	<20	85%	20%	High PPO with HMO
Bradley	Support	75%	20%	High PPO with HMO
Bristol	30+	90%	20%	Low PPO with HMO
Bristol	20-29	85%	20%	Low PPO with HMO
Bristol	<20	80%	20%	Low PPO with HMO
Bristol	Support	60%	20%	Low PPO with HMO
Campbell BOE	All levels	100%	50%	High PPO with HMO
Carter	All levels	100%	20%	High PPO with HMO
Cheatham	All levels	100%	70%	High PPO with HMO
Cleveland City	All non-support	85%	35%	High PPO with HMO
Cleveland City	Support	35%	20%	High PPO with HMO
Cumberland BOE	30+	100%	50%	High PPO with HMO
Cumberland BOE	20-29	85%	50%	High PPO with HMO
Cumberland BOE	<20	35%	20%	High PPO with HMO
Cumberland	Support	35%	20%	High PPO with HMO

<sup>1</sup> Athens City retirees receive the locally subsidized benefit for a maximum of 5 years.

# Exhibit 3

## Actuarial Assumptions and Costs Method

(continued)

City	Service Requirement	Retiree Participation	Spouse Coverage Rate	Plan Election
BOE				
Dyer	All levels	100%	35%	High PPO without HMO
Dyersburg City	30+	100%	35%	High PPO with HMO
Dyersburg City	<30	35%	20%	High PPO with HMO
Dyersburg City	Support	35%	20%	High PPO with HMO
Elizabethton	All levels	100%	35%	High PPO with HMO
Fentress	All levels	100%	35%	Low PPO without HMO
Franklin Special	All levels	100%	35%	High PPO without HMO
Giles	All levels	100%	35%	High PPO without HMO
Grainger	30+	100%	35%	High PPO with HMO
Grainger	20-29	90%	20%	High PPO with HMO
Grainger	<20	85%	20%	High PPO with HMO
Grainger	Support	70%	20%	High PPO with HMO
Greene	20+	100%	35%	High PPO with HMO
Greene	<20	35%	20%	High PPO with HMO
Greene	Support	35%	20%	High PPO with HMO
Greeneville	All levels	100%	35%	Low PPO with HMO
Hardin	All levels	100%	35%	High PPO without HMO
Hawkins	All levels	90%	50%	High PPO with HMO
Henry	All non-support	100%	35%	High PPO without HMO
Henry	Support	35%	20%	High PPO without HMO
Humboldt	All levels	100%	35%	High PPO without HMO
Humphreys Co BOE	All non-support	100%	70%	High PPO without HMO
Humphreys Co BOE	Support	35%	20%	High PPO without HMO
Jackson-Madison	30+	35%	20%	High PPO without HMO
Jackson-Madison	20-29	50%	20%	High PPO without HMO
Jackson-Madison	<20	60%	20%	High PPO without HMO
Jackson-Madison	Support	35%	20%	High PPO without HMO
Jefferson	All levels	100%	35%	High PPO with HMO

# Exhibit 3

## Actuarial Assumptions and Costs Method

(continued)

City	Service Requirement	Retiree Participation	Spouse Coverage Rate	Plan Election
Kingsport	All levels	80%	50%	High PPO with HMO
Lake	30+	90%	35%	High PPO without HMO
Lake	20-29	85%	35%	High PPO without HMO
Lake	<20	80%	35%	High PPO without HMO
Lake	Support	35%	20%	High PPO without HMO
Lauderdale	30+	80%	20%	High PPO without HMO
Lauderdale	20-29	75%	20%	High PPO without HMO
Lauderdale	<20	65%	20%	High PPO without HMO
Lauderdale	Support	45%	20%	High PPO without HMO
Lawrence	All levels	100%	35%	High PPO without HMO
Lebanon SSD	30+	100%	35%	High PPO with HMO
Lebanon SSD	20-29	90%	35%	High PPO with HMO
Lebanon SSD	<20	35%	20%	High PPO with HMO
Lebanon SSD	Support	35%	20%	High PPO with HMO
Lenoir City	30+	80%	20%	High PPO with HMO
Lenoir City	20-29	70%	20%	High PPO with HMO
Lenoir City	<20	65%	20%	High PPO with HMO
Lenoir City	Support	45%	20%	High PPO with HMO
Loudon	30+	80%	20%	High PPO with HMO
Loudon	<30	35%	20%	High PPO with HMO
Loudon	Support	35%	20%	High PPO with HMO
Macon BOE	30+	70%	20%	High PPO with HMO
Macon BOE	20-29	65%	20%	High PPO with HMO
Macon BOE	<20	60%	20%	High PPO with HMO
Macon BOE	Support	35%	20%	High PPO with HMO
Marshall	30+	90%	20%	High PPO without HMO
Marshall	20-29	85%	20%	High PPO without HMO
Marshall	<20	80%	20%	High PPO without HMO
Marshall	Support	90%	20%	High PPO without HMO
Maury Co BOE	non-support	100%	35%	High PPO without HMO
Maury Co BOE	Support	35%	20%	High PPO without HMO
Milan SSD	All levels	100%	35%	High PPO without HMO
Monroe	All levels	100%	35%	High PPO without HMO

# Exhibit 3

## Actuarial Assumptions and Costs Method

(continued)

City	Service Requirement	Retiree Participation	Spouse Coverage Rate	Plan Election
Moore	All levels	100%	35%	High PPO without HMO
Overton	30+	80%	20%	Low PPO without HMO
Overton	20-29	75%	20%	Low PPO without HMO
Overton	<20	70%	20%	Low PPO without HMO
Overton	Support	50%	20%	Low PPO without HMO
Polk Co BOE	non-support	100%	35%	High PPO with HMO
Polk Co BOE	Support	35%	20%	High PPO with HMO
Roane	30+	90%	50%	High PPO with HMO
Roane	20-29	85%	50%	High PPO with HMO
Roane	<20	75%	35%	High PPO with HMO
Roane	Support	90%	50%	High PPO with HMO
Robertson	30+	95%	50%	High PPO with HMO
Robertson	20-29	90%	50%	High PPO with HMO
Robertson	<20	70%	20%	High PPO with HMO
Robertson	Support	50%	20%	High PPO with HMO
Scott BOE	30+	95%	20%	High PPO without HMO
Scott BOE	20-29	90%	20%	High PPO without HMO
Scott BOE	<20	80%	20%	High PPO without HMO
Scott BOE	Support	65%	20%	High PPO without HMO
Sevier	non-support	100%	35%	High PPO with HMO
Sevier	Support	35%	20%	High PPO with HMO
Sullivan	20+	100%	50%	High PPO with HMO
Sullivan	<20	100%	35%	High PPO with HMO
Sullivan	Support	35%	20%	High PPO with HMO
Sumner	non-support	100%	70%	High PPO with HMO
Sumner	Support	70%	35%	High PPO with HMO
Tipton	30+	80%	20%	High PPO with HMO
Tipton	20-29	75%	20%	High PPO with HMO
Tipton	<20	70%	20%	High PPO with HMO
Tipton	Support	45%	20%	High PPO with HMO
Tullahoma	non-support	100%	70%	High PPO without HMO
Tullahoma	Support	35%	20%	High PPO without HMO
Unicoi	30+	80%	20%	High PPO with HMO

## Exhibit 3

### *Actuarial Assumptions and Costs Method*

(continued)

City	Service Requirement	Retiree Participation	Spouse Coverage Rate	Plan Election
Unicoi	20-29	75%	20%	High PPO with HMO
Unicoi	<20	70%	20%	High PPO with HMO
Unicoi	Support	50%	20%	High PPO with HMO
Union County	30+	80%	20%	High PPO with HMO
Union County	20-29	75%	20%	High PPO with HMO
Union County	<20	65%	20%	High PPO with HMO
Union County	Support	45%	20%	High PPO with HMO
Van Buren	30+	100%	70%	High PPO with HMO
Van Buren	20-29	85%	50%	High PPO with HMO
Van Buren	<20	75%	50%	High PPO with HMO
Van Buren	Support	35%	20%	High PPO with HMO
Wayne	All levels	100%	70%	High PPO without HMO
Unsubsidized	30+	65%	20%	High PPO with HMO
Unsubsidized	20-29	60%	20%	High PPO with HMO
Unsubsidized	<20	50%	20%	High PPO with HMO
Unsubsidized	Support	35%	20%	High PPO with HMO

Participants are assumed to choose between plans based upon relative plan subsidies as follows:

Election Assumption				
Plan	High PPO with HMO	High PPO without HMO	Low PPO with HMO	Low PPO without HMO
PPO	70%	80%	10%	25%
POS	20%	20%	65%	75%
HMO	10%	0%	25%	0%

The assumed HMO plan area is shown below.

L.E.A.	HMO Area
Athens City	East
Bradley	East
Bristol	East
Campbell BOE	East
Carter County	East
Cheatham	Nashville

## Exhibit 3

### *Actuarial Assumptions and Costs Method* (continued)

L.E.A.	HMO Area
Cleveland City	East
Cumberland BOE	East
Dyersburg City	Memphis
Elizabethton	East
Grainger	East
Greene	East
Greeneville	Memphis
Hawkins	East
Jefferson	East
Kingsport	East
Lebanon SSD	Nashville
Lenoir City	East
Loudon	East
Macon BOE	Nashville
Polk Co BOE	East
Roane	East
Robertson	Nashville
Sevier	East
Sullivan	East
Sumner	Nashville
Tipton	Memphis
Unicoi	East
Union County	East
Van Buren	East
Unsubsidized	Nashville

Employers not shown in the chart have no current HMO participants and are assumed not to have participants ever enter the HMO. May be in any area – we are assuming Nashville.

#### **Plan Participation**

**For Current Retirees:** Current participants in the Plan are assumed to continue coverage in the same option until age 65 (or for life if currently over age 65). Athens City retirees receive the benefit for a maximum of 5 years.

**Spouse Assumptions:** For future retirees, males are assumed to be 4 years older than females. Current spouse birth dates are used for current retirees. 50% of surviving spouses are assumed to receive a TCRS survivor pension.

# Exhibit 3

## Actuarial Assumptions and Costs Method

(continued)

**Medical Plan Costs:** Estimated net per capita monthly incurred claim costs for 2007 – 2008, including administrative expenses:

Age	Claims Cost
50	\$6,199
55	7,419
60	8,739
65*	5,632
70*	6,453
75*	7,395

\*Costs at age 65 and over apply to a limited number of grandfathered people only

Costs were developed from reported incurred medical and prescription drug claims experience and administrative costs for 2005 and 2006.

**Assumed  
Contributions:**

Contributions are assumed to increase with trend, both for the local employer and the retiree. Athens City is the exception. Retirees there receive \$1000 per year, assumed not to increase with trend, from the employer.

**Health Care Cost  
Trend Rates:**

2007 to 2008 trend was 6%. Health Care cost trend rates to be applied to expected future claims, contributions, and premiums:

Calendar Year	Rate
2008 to 2009	11.0%
2009 to 2010	10.5
2010 to 2011	10.0
2011 to 2012	9.5
2012 to 2013	9.0
2013 to 2014	8.5
2014 to 2015	8.0
2015 to 2016	7.5
2016 to 2017	7.0
2017 to 2018	6.5
2018 to 2019	6.0
2019 to 2020	5.5
2020 to 2021	5.0

**Subsidies:**

State direct subsidy – State percentage of blended premium based on service (allocated to LEA)

Employer explicit subsidy – employer portion of blended premium

Employer implicit subsidy – difference between age adjusted claims/admin and blended premium

## Exhibit 3

### *Actuarial Assumptions and Costs Method*

*(continued)*

**Census Data:** Collected as of July 1, 2007. The data was not audited by Buck Consultants. When an employee was listed under both a retiree contract and a spouse contract, with participation in both the pre-65 plan and the Tennessee plan, the pre-65 record is treated as the spouse record for valuation purposes.

# Exhibit 4

## *Summary of Substantive Plan Provisions*

**Eligibility:** TCRS participants with state medical benefits are eligible for health coverage following service retirement or early retirement, which are generally as follows:

- Service retirement: age 60 and 10 years of service, or 30 years of service
- Early retirement: age 55 and 10 years of service, or 25 years of service

Similar requirements generally apply to ORP and other non-TCRS participants.

Retirees with less than 20 years of service must participate in the state medical plan for the 3 years prior to retirement and must begin retiree coverage immediately upon retirement. Retirees with 20 years of service must participate for the year prior to retirement and must begin retiree coverage within 5 years of retirement.

*Spouse coverage:* Spouses may participate in the Plan. When a retiree dies, surviving spouses may remain in the plan for six months for free. After that, if the surviving spouse receives a TCRS survivor pension, the spouse may participate and pay a “retiree only or spouse only” rate.

*Disabled coverage:* Disabled employees who leave employment with five or more years of service may participate.

*Medicare eligibility:* Disabled members with Medicare remain in the Plan until age 65. A few participants, generally without Medicare, can stay in the plan beyond age 65.

**Premiums:** Premiums are set by the State on January 1<sup>st</sup> of each year to pay for claims and administration of the entire Local Education group (blended active and retiree). Calendar year 2008 monthly premiums are shown below.

Total Premium	Single	Family
PPO	\$ 460.56	\$1,149.46
POS	\$ 422.09	\$1,053.51
HMO - Memphis	\$ 423.33	\$1,056.63
HMO - Nashville	\$ 404.02	\$1,008.40
HMO - East	\$ 448.19	\$1,118.61

**Contributions:** The State contributes a percentage of the blended premium as follows:

30+ years of service	45%
20 – 29 years of service	35%
Less than 20 years of service	25%
Support Staff	0%

# Exhibit 4

## Summary of Substantive Plan Provisions

(continued)

Each Employer contributes to premiums based upon its own policies. 2007 explicit subsidies provided by each employer are shown below:

City	Service Requirement	PPO Plan Single Coverage	PPO Plan Family Coverage	POS Plan Single Coverage	POS Plan Family Coverage	HMO Plan (if option) Single Coverage	HMO Plan (if option) Family Coverage
Athens City <sup>1</sup>	30+	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33
Athens City	<30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Athens City	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bradley	30+	\$155.24	\$155.24	\$141.12	\$141.12	\$141.35	\$141.35
Bradley	20-29	\$183.46	\$183.46	\$206.61	\$206.61	\$167.05	\$167.05
Bradley	<20	\$196.38	\$196.38	\$179.98	\$179.98	\$192.75	\$192.75
Bradley	Support	\$238.97	\$238.97	\$219.01	\$219.01	\$232.55	\$232.55
Bristol	All levels	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Campbell BOE	30+	\$238.97	\$325.86	\$219.01	\$298.65	\$232.55	\$317.12
Campbell BOE	20-29	\$282.42	\$325.86	\$258.83	\$352.96	\$274.83	\$374.78
Campbell BOE	<20	\$325.87	\$444.36	\$298.65	\$407.26	\$317.11	\$432.43
Campbell BOE	Support	\$434.49	\$592.48	\$398.20	\$543.02	\$422.82	\$576.57
Carter County	30+	\$238.97	\$0.00	\$219.01	\$0.00	\$232.55	\$0.00
Carter County	20-29	\$282.42	\$0.00	\$258.83	\$0.00	\$274.83	\$0.00
Carter County	<20	\$325.87	\$0.00	\$298.65	\$0.00	\$317.11	\$0.00
Carter County	Support	\$434.49	\$0.00	\$398.20	\$0.00	\$422.82	\$0.00
Cheatham	30+	\$238.97	\$596.42	\$219.01	\$546.63	\$209.63	\$523.23
Cheatham	20-29	\$282.42	\$704.86	\$258.83	\$646.02	\$247.75	\$618.36
Cheatham	<20	\$325.87	\$813.30	\$298.65	\$745.41	\$285.87	\$713.49
Cheatham	Support	\$434.49	\$1,084.40	\$398.20	\$993.88	\$381.15	\$951.32
Cleveland City	30+	\$174.54	\$174.54	\$179.19	\$179.19	\$190.27	\$190.27
Cleveland City	20-29	\$217.99	\$217.99	\$219.01	\$219.01	\$232.55	\$232.55
Cleveland City	<20	\$261.44	\$261.44	\$258.83	\$258.83	\$274.84	\$274.84
Cleveland City	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cumberland BOE	30+	\$238.97	\$402.10	\$219.01	\$366.11	\$232.55	\$391.30
Cumberland BOE	20-29	\$195.52	\$380.42	\$178.29	\$346.24	\$190.27	\$370.20
Cumberland BOE	<20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cumberland BOE	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

<sup>1</sup> Athens City retirees receive locally subsidized coverage for a maximum of 5 years

# Exhibit 4

## Summary of Substantive Plan Provisions

(continued)

City	Service Requirement	PPO Plan Single Coverage	PPO Plan Family Coverage	POS Plan Single Coverage	POS Plan Family Coverage	HMO Plan (if option) Single Coverage	HMO Plan (if option) Family Coverage
Dyer	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00
Dyer	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Dyer	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Dyer	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$0.00	\$0.00
Dyersburg City	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$219.65	\$219.65
Dyersburg City	<30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dyersburg City	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Elizabethton	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$232.55	\$232.55
Elizabethton	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$274.83	\$274.83
Elizabethton	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$317.11	\$317.11
Elizabethton	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$422.82	\$422.82
Fentress	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00
Fentress	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Fentress	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Fentress	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$0.00	\$0.00
Franklin Special	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00
Franklin Special	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Franklin Special	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Franklin Special	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$0.00	\$0.00
Giles	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00
Giles	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Giles	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Giles	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$0.00	\$0.00
Grainger	All levels	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00
Greene	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$232.55	\$232.55
Greene	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$274.83	\$274.83
Greene	<20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Greene	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Greeneville	30+	\$219.01	\$219.01	\$219.01	\$219.01	\$219.01	\$219.01
Greeneville	20-29	\$258.83	\$258.83	\$258.83	\$258.83	\$258.83	\$258.83
Greeneville	<20	\$298.65	\$298.65	\$298.65	\$298.65	\$298.65	\$298.65
Greeneville	Support	\$398.20	\$398.20	\$398.20	\$398.20	\$398.20	\$398.20

# Exhibit 4

## Summary of Substantive Plan Provisions

(continued)

City	Service Requirement	PPO Plan Single Coverage	PPO Plan Family Coverage	POS Plan Single Coverage	POS Plan Family Coverage	HMO Plan (if option) Single Coverage	HMO Plan (if option) Family Coverage
Hardin	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00
Hardin	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Hardin	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Hardin	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$0.00	\$0.00
Hawkins	30+	\$134.70	\$336.17	\$123.45	\$308.10	\$131.08	\$327.15
Hawkins	20-29	\$178.15	\$444.61	\$163.27	\$407.51	\$173.36	\$432.70
Hawkins	<20	\$221.59	\$553.05	\$203.08	\$506.88	\$215.64	\$538.21
Hawkins	Support	\$330.22	\$824.16	\$302.64	\$755.36	\$321.35	\$802.03
Henry	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00
Henry	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Henry	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Henry	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Humboldt	30+	\$219.01	\$219.01	\$219.01	\$219.01	\$0.00	\$0.00
Humboldt	20-29	\$258.83	\$258.83	\$258.83	\$258.83	\$0.00	\$0.00
Humboldt	<20	\$298.65	\$298.65	\$298.65	\$298.65	\$0.00	\$0.00
Humboldt	Support	\$398.20	\$398.20	\$398.20	\$398.20	\$0.00	\$0.00
Humphreys Co BOE	30+	\$238.97	\$596.42	\$219.01	\$546.63	\$0.00	\$0.00
Humphreys Co BOE	20-29	\$282.42	\$704.86	\$258.83	\$646.02	\$0.00	\$0.00
Humphreys Co BOE	<20	\$325.87	\$813.30	\$298.65	\$745.41	\$0.00	\$0.00
Humphreys Co BOE	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Jackson-Madison	30+	\$21.73	\$54.40	\$19.91	\$49.70	\$0.00	\$0.00
Jackson-Madison	20-29	\$65.18	\$162.84	\$59.73	\$149.08	\$0.00	\$0.00
Jackson-Madison	<20	\$108.63	\$271.28	\$99.55	\$248.47	\$0.00	\$0.00
Jackson-Madison	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Jefferson	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$232.55	\$232.55
Jefferson	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$274.83	\$274.83
Jefferson	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$317.11	\$317.11
Jefferson	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$422.82	\$422.82
Kingsport	30+	\$162.51	\$405.60	\$162.51	\$405.60	\$162.51	\$405.60

# Exhibit 4

## Summary of Substantive Plan Provisions

(continued)

City	Service Requirement	PPO Plan Single Coverage	PPO Plan Family Coverage	POS Plan Single Coverage	POS Plan Family Coverage	HMO Plan (if option) Single Coverage	HMO Plan (if option) Family Coverage
Kingsport	20-29	\$192.05	\$479.35	\$192.05	\$479.35	\$192.05	\$479.35
Kingsport	<20	\$221.60	\$553.09	\$221.60	\$553.09	\$221.60	\$553.09
Kingsport	Support	\$295.46	\$737.45	\$295.46	\$737.45	\$295.46	\$737.45
Lake	All non-support	\$206.25	\$206.25	\$206.25	\$206.25	\$0.00	\$0.00
Lake	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lauderdale	All levels	\$83.33	\$83.33	\$83.33	\$83.33	\$0.00	\$0.00
Lawrence	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00
Lawrence	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Lawrence	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Lawrence	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$0.00	\$0.00
Lebanon SSD	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$209.63	\$209.63
Lebanon SSD	20-29	\$238.97	\$238.97	\$219.01	\$219.01	\$209.63	\$209.63
Lebanon SSD	<20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lebanon SSD	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lenoir City	All levels	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
Loudon	30+	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Loudon	<30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Loudon	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Macon BOE	20+	\$120.00	\$120.00	\$120.00	\$120.00	\$0.00	\$0.00
Macon BOE	<20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Macon BOE	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Marshall	All non-support	\$165.10	\$165.10	\$151.31	\$151.31	\$0.00	\$0.00
Marshall	Support	\$360.62	\$360.62	\$330.50	\$330.50	\$0.00	\$0.00
Maury Co BOE	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00
Maury Co BOE	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Maury Co BOE	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Maury Co BOE	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Milan SSD	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00
Milan SSD	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Milan SSD	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Milan SSD	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$0.00	\$0.00
Monroe	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00

# Exhibit 4

## Summary of Substantive Plan Provisions

(continued)

City	Service Requirement	PPO Plan Single Coverage	PPO Plan Family Coverage	POS Plan Single Coverage	POS Plan Family Coverage	HMO Plan (if option) Single Coverage	HMO Plan (if option) Family Coverage
Monroe	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Monroe	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Monroe	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$0.00	\$0.00
Moore	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$0.00	\$0.00
Moore	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$0.00	\$0.00
Moore	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$0.00	\$0.00
Moore	Support	\$434.49	\$434.49	\$398.20	\$398.20	\$0.00	\$0.00
Overton	All levels	\$95.83	\$95.83	\$95.83	\$95.83	\$0.00	\$0.00
Polk Co BOE	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$232.55	\$232.55
Polk Co BOE	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$274.83	\$274.83
Polk Co BOE	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$282.57	\$282.57
Polk Co BOE	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Roane	20+	\$152.07	\$379.54	\$139.37	\$347.85	\$147.98	\$369.35
Roane	<20	\$142.88	\$356.60	\$130.95	\$326.83	\$139.04	\$347.03
Roane	Support	\$347.59	\$867.51	\$318.56	\$795.10	\$338.25	\$844.23
Robertson	20+	\$195.52	\$487.98	\$179.19	\$447.24	\$171.52	\$428.09
Robertson	<20	\$86.89	\$216.86	\$79.63	\$198.76	\$76.22	\$190.25
Robertson	Support	\$115.85	\$289.15	\$106.18	\$265.01	\$101.63	\$253.66
Scott BOE	All levels	\$179.19	\$179.19	\$179.19	\$179.19	\$0.00	\$0.00
Sevier	30+	\$238.97	\$238.97	\$219.01	\$219.01	\$232.55	\$232.55
Sevier	20-29	\$282.42	\$282.42	\$258.83	\$258.83	\$274.83	\$274.83
Sevier	<20	\$325.87	\$325.87	\$298.65	\$298.65	\$317.11	\$317.11
Sevier	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sullivan	30+	\$238.97	\$434.49	\$219.01	\$398.20	\$232.55	\$422.82
Sullivan	20-29	\$282.42	\$434.49	\$258.83	\$398.20	\$274.83	\$422.82
Sullivan	<20	\$325.87	\$434.49	\$298.65	\$398.20	\$317.12	\$422.82
Sullivan	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sumner	30+	\$238.97	\$596.42	\$219.01	\$546.63	\$209.63	\$523.23
Sumner	20-29	\$282.42	\$704.86	\$258.83	\$646.02	\$247.75	\$618.36
Sumner	<20	\$325.87	\$813.30	\$298.65	\$745.41	\$285.87	\$713.49
Sumner	Support	\$197.69	\$493.39	\$181.18	\$452.21	\$173.42	\$432.84
Tipton	All levels	\$78.00	\$130.00	\$78.00	\$130.00	\$78.00	\$130.00

## Exhibit 4

### Summary of Substantive Plan Provisions

*(continued)*

City	Service Requirement	PPO Plan Single Coverage	PPO Plan Family Coverage	POS Plan Single Coverage	POS Plan Family Coverage	HMO Plan (if option) Single Coverage	HMO Plan (if option) Family Coverage
Tullahoma	30+	\$238.97	\$596.42	\$219.01	\$546.63	\$0.00	\$0.00
Tullahoma	20-29	\$282.42	\$704.86	\$258.83	\$646.02	\$0.00	\$0.00
Tullahoma	<20	\$325.87	\$813.30	\$298.65	\$745.41	\$0.00	\$0.00
Tullahoma	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Unicoi	All levels	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Union County	All levels	\$83.33	\$104.17	\$83.33	\$104.17	\$83.33	\$104.17
Van Buren	30+	\$238.97	\$596.42	\$219.01	\$546.63	\$232.55	\$580.41
Van Buren	20-29	\$215.07	\$536.78	\$197.11	\$491.47	\$209.30	\$522.37
Van Buren	<20	\$191.18	\$477.14	\$175.21	\$437.30	\$186.04	\$464.33
Van Buren	Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wayne	30+	\$238.97	\$596.42	\$219.01	\$546.63	\$0.00	\$0.00
Wayne	20-29	\$282.42	\$704.86	\$258.83	\$646.02	\$0.00	\$0.00
Wayne	<20	\$325.87	\$813.30	\$298.65	\$745.41	\$0.00	\$0.00
Wayne	Support	\$434.49	\$1,084.40	\$398.20	\$993.88	\$0.00	\$0.00
Unsubsidized	All levels	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

# Exhibit 5

## Benefit Design

### Benefit Design: (Effective January 1, 2008)

	PPO Option		PPO Limited Option		POS Option		HMO Option
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	
Preexisting Condition Requirement	6 months if no immediately prior coverage		6 months if no immediately prior coverage		6 months if no immediately prior coverage		None
Annual Medical Deductible *	\$300 per individual; \$750 family *		\$500 per individual; \$1,500 family *		None	\$300 per individual; \$750 family	None
Annual Out-of-Pocket Maximum (excludes MHSA and pharmacy)	\$1,300 per individual; \$2,600 family	\$3,900 per individual; \$7,800 family	\$5,500 per individual; \$11,500 family	\$16,500 per individual; \$33,000 family	None		None
Annual Physical Exam – Adult	90% of MAC	70% of MAC	80% of MAC	60% of MAC	100% benefit	70% of MAC after deductible	\$15 copay PCP; \$20 copay specialist
Physician Office Visit	90% of MAC	70% of MAC	80% of MAC	60% of MAC	\$20 copay general; \$25 copay specialist	70% of MAC after deductible	\$15 copay PCP; \$20 copay specialist
Maternity	90% of MAC	70% of MAC	80% of MAC	60% of MAC	\$20 copay general; \$25 copay specialist, first visit only; \$100 copay hospital admission	\$300 copay, then 70% per diem after deductible	\$15 copay PCP; \$25 copay specialist, first visit only; \$100 copay hospital admission
Well Child Checkup and Immunizations	90% of MAC; 12 visits covered through age 5, annually for ages 6-17	70% of MAC; 12 visits covered through age 5, annually for ages 6-17	80% of MAC; 12 visits covered through age 5, annually for ages 6-17	60% of MAC; 12 visits covered through age 5, annually for ages 6-17	100% benefit; 12 visits covered through age 5, annually for ages 6-17	70% of MAC; 12 visits covered through age 5, annually for ages 6-17	\$15 copay PCP; \$20 copay specialist; 12 visits covered through age 5, annually for ages 6-17
Lab and X-ray	90% of MAC	70% of MAC	80% of MAC	60% of MAC	100% benefit	70% of MAC after deductible	100% benefit
Physical, Speech, and Occupational Therapy	90% of MAC; Some limitations may apply	70% of MAC; Some limitations may apply	80% of MAC; Some limitations may apply	60% of MAC; Some limitations may apply	\$20 copay per visit; Limited to 45 visits per year, per condition	70% of MAC; Limited to 45 visits per year, per condition after deductible	\$15 copay per visit; Limited to 45 visits per year, per condition

# Exhibit 5

## Benefit Design

(continued)

	PPO Option		PPO Limited Option		POS Option		HMO Option
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	
Chiropractic Care	90% of MAC; Maintenance visits not covered when no additional progress is apparent or expected to occur	70% of MAC; Maintenance visits not covered when no additional progress is apparent or expected to occur	80% of MAC; Maintenance visits not covered when no additional progress is apparent or expected to occur	60% of MAC; Maintenance visits not covered when no additional progress is apparent or expected to occur	\$20 copay; Maintenance visits not covered when no additional progress is apparent or expected to occur	70% of MAC; Maintenance visits not covered when no additional progress is apparent or expected to occur	\$15 copay; Maintenance visits not covered when no additional progress is apparent or expected to occur
Ambulance Service-Air and Ground	80% of reasonable charges when deemed medically necessary by claims administrator		80% of reasonable charges when deemed medically necessary by claims administrator		100% of reasonable charges when deemed medically necessary by claims administrator		100% of reasonable charges when deemed medically necessary by claims administrator
Emergency Room	\$50 copay per visit (waived if certain conditions are met); 90% of MAC	\$50 copay per visit (waived if certain conditions are met); 70% of MAC	\$50 copay per visit (waived if certain conditions are met); 80% of MAC	\$50 copay per visit (waived if certain conditions are met); 60% of MAC	\$50 copay per visit (waived if certain conditions are met)	\$50 copay per visit, then 70% of MAC after deductible (waived if certain conditions are met)	\$50 copay per visit (waived if certain conditions are met)
Hospital Care	90% of MAC	70% of MAC	80% of MAC	60% of MAC	\$100 per admission	\$300 per admission, then 70% per diem after deductible	\$100 per admission
Prescription Drug Coinsurance/Copay **	\$5 generic \$20 preferred brand \$40 non-preferred brand**	\$5 generic \$20 preferred \$40 non-preferred + amount exceeding MAC **	0% generic 20% preferred brand 40% non-preferred brand**	0% generic 20% preferred 40% non-preferred + amount exceeding MAC **	\$5 generic \$20 preferred brand \$40 non-preferred brand**	70% of MAC after deductible	\$5 generic \$20 preferred brand \$40 non-preferred brand**
Annual Pharmacy Copay Maximum	\$1,500 per individual **		None		None		None

# Exhibit 5

## Benefit Design

(continued)

	PPO Option		PPO Limited Option		POS Option		HMO Option
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	
Mental Health Inpatient* (preauthorization required)	90% of MAC; Limited to 45 days per year	70% of MAC; Limited to 45 days per year	80% of MAC; Limited to 45 days per year	60% of MAC; Limited to 45 days per year	\$100 copay per admission; Limited to 30 days per year	Not covered	\$100 copay per admission; Limited to 30 days per year
Substance Abuse Inpatient* (preauthorization required)	90% of MAC; Limited to two 5- day detox stays per lifetime; plus two 28-day lifetime stays	70% of MAC; Limited to two 5- day detox stays per lifetime; plus two 28-day lifetime stays	80% of MAC; Limited to two 5- day detox stays per lifetime; plus two 28-day lifetime stays	60% of MAC; Limited to two 5- day detox stays per lifetime; plus two 28-day lifetime stays	\$100 copay per admission; Limited to two 5-day detox stays per lifetime; plus two 28-day lifetime stays	Not covered	\$100 copay per admission; Limited to two 5-day detox stays per lifetime; plus two 28-day lifetime stays
Mental Health/Substance Abuse Outpatient* (preauthorization required)	Sessions 1-15: \$5 copay/session Sessions 16-45: \$25 copay/session Limited to 45 sessions per year mental health and substance abuse combined	Sessions 1-15: \$40 copay/session Sessions 16-45: \$100 copay/session Limited to 45 sessions per year mental health and substance abuse combined	Sessions 1-15: \$5 copay/session Sessions 16-45: \$25 copay/session Limited to 45 sessions per year mental health and substance abuse combined	Sessions 1-15: \$40 copay/session Sessions 16-45: \$100 copay/session Limited to 45 sessions per year mental health and substance abuse combined	\$25 copay per session; Limited to 45 sessions per year mental health and substance abuse combined	Not covered	\$20 copay per session; Limited to 45 sessions per year mental health and substance abuse combined

\* Separate \$150 deductible for mental health/substance abuse care required under the PPO and PPO Limited; Benefits must be preauthorized by Magellan Health Services to be reimbursed at the highest level for the PPO and PPO Limited. If preauthorization is not obtained, benefits will be reduced for the PPO and PPO Limited and denied for the POS and HMO.

\*\* Does not apply to annual medical deductible or the annual medical out-of-pocket, if applicable. If cost of prescription is less than the copay, the lesser amount will apply. Extended prescriptions written for 90-102 days (as authorized by the claims administrator) available for one copay when using home delivery or certain participating retail pharmacies.

# Appendix

## *Results by Employer (Dollars in Thousands)*

### State Direct Subsidy Allocated to LEA

Employer	Count		Actuarial Liability				
	Retirees, Vested Terminated & Disabled Employees	Active	Retirees, Vested Terminated & Disabled Employees	Active	Benefit Payment	Normal Cost	ARC
Athens City	16	251	\$190	\$386	\$41	\$33	\$58
Bradley	141	963	\$2,201	\$2,292	\$371	\$257	\$449
Bristol	57	403	\$906	\$570	\$151	\$95	\$158
Campbell BOE	73	590	\$1,625	\$2,476	\$235	\$223	\$398
Carter	83	870	\$1,346	\$2,526	\$215	\$227	\$392
Cheatham	31	687	\$575	\$2,985	\$104	\$304	\$456
Cleveland City	52	593	\$696	\$1,737	\$158	\$145	\$249
Cumberland BOE	65	956	\$1,234	\$2,320	\$204	\$217	\$368
Dyer	29	488	\$361	\$1,666	\$92	\$121	\$207
Dyersburg City	39	399	\$750	\$969	\$134	\$70	\$143
Elizabethton	39	294	\$493	\$747	\$86	\$79	\$132
Fentress	32	261	\$497	\$1,347	\$91	\$100	\$179
Franklin Special	52	642	\$594	\$1,442	\$119	\$152	\$239
Giles	52	670	\$946	\$2,143	\$157	\$174	\$306
Grainger	29	467	\$805	\$2,089	\$114	\$145	\$268
Greene	111	832	\$1,591	\$1,425	\$253	\$159	\$288
Greeneville	50	382	\$520	\$736	\$96	\$106	\$160
Hardin	37	494	\$553	\$1,637	\$105	\$143	\$236
Hawkins	67	1,026	\$953	\$3,100	\$183	\$293	\$466
Henry	43	461	\$730	\$1,605	\$135	\$124	\$224
Humboldt	39	228	\$752	\$725	\$125	\$63	\$126
Humphreys Co BOE	21	462	\$242	\$2,071	\$66	\$169	\$268
Jackson-Madison	167	1,065	\$2,625	\$1,929	\$493	\$147	\$341
Jefferson	51	850	\$756	\$2,479	\$140	\$256	\$394
Kingsport	104	950	\$1,376	\$2,910	\$246	\$227	\$410
Lake	7	130	\$69	\$647	\$24	\$46	\$77
Lauderdale	17	613	\$225	\$1,757	\$71	\$119	\$203
Lawrence	47	944	\$658	\$4,477	\$170	\$286	\$505
Lebanon SSD	21	346	\$343	\$834	\$55	\$83	\$133
Lenoir City	13	235	\$202	\$608	\$33	\$48	\$83
Loudon	46	581	\$633	\$1,034	\$114	\$95	\$166
Macon BOE	23	547	\$351	\$1,099	\$60	\$96	\$158
Marshall	38	746	\$646	\$1,910	\$122	\$149	\$258
Maurry Co BOE	114	1,601	\$1,886	\$4,348	\$317	\$427	\$693
Milan SSD	16	371	\$146	\$1,314	\$51	\$106	\$168
Monroe	43	648	\$589	\$2,926	\$111	\$222	\$372
Moore	4	94	\$100	\$422	\$18	\$33	\$55
Overton	22	314	\$334	\$1,294	\$69	\$80	\$149

# Appendix

## *Results by Employer (Dollars in Thousands)*

### State Direct Subsidy Allocated to LEA

Employer	Count		Actuarial Liability				
	Retirees, Vested Terminated & Disabled Employees	Active	Retirees, Vested Terminated & Disabled Employees	Active	Benefit Payment	Normal Cost	ARC
Polk Co BOE	32	269	\$594	\$845	\$93	\$88	\$149
Roane	72	799	\$1,218	\$2,565	\$199	\$243	\$404
Robertson	72	1,286	\$2,102	\$3,277	\$288	\$333	\$562
Scott BOE	20	340	\$366	\$1,270	\$64	\$107	\$177
Sevier	69	1,708	\$949	\$7,675	\$217	\$583	\$951
Sullivan	370	1,378	\$5,255	\$7,891	\$822	\$505	\$1,065
Sumner	191	1,942	\$4,558	\$11,609	\$767	\$1,148	\$1,837
Tipton	44	1,393	\$670	\$3,196	\$143	\$283	\$448
Tulahoma	46	400	\$700	\$1,646	\$139	\$148	\$248
Unicoi	21	257	\$311	\$482	\$46	\$54	\$88
Union County	11	351	\$222	\$1,121	\$38	\$116	\$173
Van Buren	12	131	\$204	\$533	\$33	\$50	\$81
Wayne	13	195	\$381	\$2,187	\$63	\$141	\$250
Teachers – No Local Explicit Subsidy	2,297	31,187	\$33,999	\$60,239	\$6,065	\$5,197	\$9,214
<b>Total Local</b>	<b>5,161</b>	<b>64,090</b>	<b>\$81,028</b>	<b>\$171,518</b>	<b>\$14,306</b>	<b>\$14,815</b>	<b>\$25,579</b>

# Appendix

## *Results by Employer (Dollars in Thousands)*

### Local Education Employers – Explicit Subsidy

Employer	Count		Actuarial Liability		Benefit Payment	Normal Cost	ARC
	Retirees, Vested Terminated & Disabled Employees	Active	Retirees, Vested Terminated & Disabled Employees	Active			
Athens City	16	251	\$35	\$15	\$12	\$1	\$3
Bradley	141	963	\$1,516	\$3,080	\$307	\$345	\$541
Bristol	57	403	\$590	\$675	\$101	\$110	\$164
Campbell BOE	73	590	\$1,507	\$5,175	\$293	\$463	\$748
Carter	83	870	\$1,276	\$5,042	\$272	\$516	\$785
Cheatham	31	687	\$837	\$7,561	\$187	\$826	\$1,184
Cleveland City	52	593	\$536	\$1,627	\$134	\$150	\$242
Cumberland BOE	65	956	\$1,218	\$2,319	\$204	\$215	\$366
Dyer	29	488	\$432	\$4,133	\$145	\$365	\$560
Dyersburg City	39	399	\$561	\$622	\$98	\$43	\$93
Elizabethton	39	294	\$669	\$1,982	\$139	\$260	\$373
Fentress	32	261	\$465	\$2,243	\$124	\$154	\$269
Franklin Special	52	642	\$859	\$4,230	\$215	\$508	\$725
Giles	52	670	\$1,004	\$4,907	\$227	\$463	\$715
Grainger	29	467	\$592	\$2,582	\$91	\$197	\$332
Greene	111	832	\$1,795	\$1,263	\$296	\$141	\$271
Greeneville	50	382	\$826	\$2,019	\$147	\$310	\$431
Hardin	37	494	\$545	\$3,647	\$138	\$331	\$510
Hawkins	67	1,026	\$900	\$8,340	\$270	\$754	\$1,148
Henry	43	461	\$726	\$1,801	\$149	\$154	\$262
Humboldt	39	228	\$567	\$1,567	\$118	\$149	\$240
Humphreys Co BOE	21	462	\$321	\$3,432	\$104	\$287	\$447
Jackson-Madison	167	1,065	\$607	\$715	\$113	\$68	\$125
Jefferson	51	850	\$885	\$5,464	\$214	\$627	\$898
Kingsport	104	950	\$2,530	\$6,020	\$420	\$585	\$949
Lake	7	130	\$79	\$573	\$24	\$41	\$69
Lauderdale	17	613	\$68	\$910	\$29	\$64	\$106
Lawrence	47	944	\$701	\$8,114	\$232	\$684	\$1,060
Lebanon SSD	21	346	\$300	\$836	\$56	\$83	\$132
Lenoir City	13	235	\$65	\$263	\$13	\$21	\$35
Loudon	46	581	\$358	\$503	\$62	\$43	\$80
Macon BOE	23	547	\$187	\$507	\$31	\$45	\$75
Marshall	38	746	\$363	\$3,634	\$115	\$371	\$541
Maury Co BOE	114	1,601	\$2,210	\$6,014	\$411	\$592	\$943
Milan SSD	16	371	\$179	\$3,055	\$67	\$277	\$415
Monroe	43	648	\$839	\$5,339	\$190	\$474	\$737
Moore	4	94	\$65	\$709	\$15	\$68	\$101
Overton	22	314	\$143	\$694	\$33	\$49	\$85
Polk Co BOE	32	269	\$447	\$1,116	\$103	\$116	\$183

# Appendix

## *Results by Employer (Dollars in Thousands)*

### Local Education Employers – Explicit Subsidy

Employer	Count		Actuarial Liability		Benefit Payment	Normal Cost	ARC
	Retirees, Vested Terminated & Disabled Employees	Active	Retirees, Vested Terminated & Disabled Employees	Active			
Roane	72	799	\$1,011	\$4,753	\$211	\$478	\$724
Robertson	72	1,286	\$2,237	\$4,230	\$311	\$437	\$713
Scott BOE	20	340	\$276	\$1,269	\$53	\$116	\$182
Sevier	69	1,708	\$945	\$8,371	\$263	\$698	\$1,095
Sullivan	370	1,378	\$6,300	\$9,338	\$1,020	\$654	\$1,321
Sumner	191	1,942	\$5,968	\$18,941	\$1,064	\$2,076	\$3,138
Tipton	44	1,393	\$239	\$1,773	\$64	\$168	\$253
Tullahoma	46	400	\$1,074	\$2,991	\$214	\$287	\$460
Unicoi	21	257	\$158	\$354	\$29	\$40	\$62
Union County	11	351	\$82	\$502	\$15	\$52	\$77
Van Buren	12	131	\$270	\$704	\$45	\$66	\$108
Wayne	13	195	\$470	\$3,604	\$92	\$225	\$399
Teachers – No Local Explicit Subsidy	2,297	31,187	\$0	\$0	\$0	\$0	\$0
<b>Total Local</b>	<b>5,161</b>	<b>64,090</b>	<b>\$46,833</b>	<b>\$169,558</b>	<b>\$9,280</b>	<b>\$16,247</b>	<b>\$25,470</b>

# Appendix

## *Results by Employer (Dollars in Thousands)*

### Local Education Employers – Implicit Subsidy

Employer	Count		Actuarial Liability		Benefit Payment	Normal Cost	ARC
	Retirees, Vested Terminated & Disabled Employees	Active	Retirees, Vested Terminated & Disabled Employees	Active			
Athens City	16	251	\$281	\$939	\$68	\$85	\$137
Bradley	141	963	\$3,242	\$5,338	\$545	\$585	\$951
Bristol	57	403	\$1,247	\$1,618	\$211	\$261	\$383
Campbell BOE	73	590	\$1,702	\$5,224	\$285	\$463	\$758
Carter	83	870	\$2,140	\$6,495	\$376	\$637	\$1,005
Cheatham	31	687	\$816	\$5,300	\$138	\$560	\$821
Cleveland City	52	593	\$1,015	\$3,117	\$221	\$287	\$463
Cumberland BOE	65	956	\$1,496	\$4,191	\$237	\$405	\$647
Dyer	29	488	\$631	\$4,201	\$159	\$352	\$558
Dyersburg City	39	399	\$861	\$1,861	\$154	\$145	\$261
Elizabethton	39	294	\$1,006	\$1,858	\$157	\$231	\$353
Fentress	32	261	\$896	\$2,875	\$185	\$199	\$360
Franklin Special	52	642	\$1,099	\$4,277	\$226	\$495	\$724
Giles	52	670	\$1,263	\$5,141	\$253	\$464	\$737
Grainger	29	467	\$864	\$3,928	\$111	\$297	\$501
Greene	111	832	\$2,917	\$2,718	\$432	\$298	\$538
Greeneville	50	382	\$1,585	\$2,392	\$226	\$363	\$533
Hardin	37	494	\$786	\$3,868	\$162	\$342	\$540
Hawkins	67	1,026	\$1,703	\$7,549	\$367	\$687	\$1,081
Henry	43	461	\$1,073	\$2,624	\$193	\$233	\$391
Humboldt	39	228	\$1,006	\$1,745	\$166	\$160	\$277
Humphreys Co BOE	21	462	\$419	\$3,045	\$120	\$246	\$394
Jackson-Madison	167	1,065	\$4,259	\$4,260	\$701	\$345	\$708
Jefferson	51	850	\$1,155	\$5,747	\$234	\$634	\$928
Kingsport	104	950	\$2,728	\$6,225	\$431	\$569	\$951
Lake	7	130	\$129	\$949	\$35	\$71	\$117
Lauderdale	17	613	\$323	\$3,519	\$109	\$243	\$407
Lawrence	47	944	\$989	\$8,661	\$254	\$681	\$1,092
Lebanon SSD	21	346	\$432	\$1,553	\$81	\$164	\$249
Lenoir City	13	235	\$287	\$1,261	\$50	\$101	\$167
Loudon	46	581	\$1,080	\$1,944	\$171	\$197	\$326
Macon BOE	23	547	\$583	\$2,278	\$98	\$197	\$319
Marshall	38	746	\$876	\$4,914	\$188	\$462	\$709
Maury Co BOE	114	1,601	\$3,005	\$8,531	\$484	\$866	\$1,358
Milan SSD	16	371	\$267	\$3,093	\$83	\$271	\$414
Monroe	43	648	\$1,173	\$5,658	\$207	\$482	\$773
Moore	4	94	\$96	\$798	\$15	\$71	\$109
Overton	22	314	\$519	\$2,445	\$113	\$171	\$297

# Appendix

## *Results by Employer (Dollars in Thousands)*

### Local Education Employers – Implicit Subsidy

Employer	Count		Actuarial Liability		Benefit Payment	Normal Cost	ARC
	Retirees, Vested Terminated & Disabled Employees	Active	Retirees, Vested Terminated & Disabled Employees	Active			
Polk Co BOE	32	269	\$587	\$1,493	\$124	\$156	\$245
Roane	72	799	\$1,821	\$5,361	\$300	\$518	\$824
Robertson	72	1,286	\$2,046	\$6,819	\$307	\$700	\$1,078
Scott BOE	20	340	\$536	\$2,282	\$88	\$206	\$326
Sevier	69	1,708	\$1,545	\$11,983	\$343	\$996	\$1,573
Sullivan	370	1,378	\$9,690	\$11,591	\$1,417	\$803	\$1,710
Sumner	191	1,942	\$4,915	\$15,114	\$754	\$1,583	\$2,437
Tipton	44	1,393	\$948	\$6,743	\$211	\$635	\$963
Tullahoma	46	400	\$1,258	\$2,671	\$185	\$251	\$418
Unicoi	21	257	\$537	\$1,181	\$86	\$132	\$205
Union County	11	351	\$297	\$1,849	\$52	\$191	\$282
Van Buren	12	131	\$252	\$752	\$47	\$73	\$116
Wayne	13	195	\$333	\$2,315	\$57	\$151	\$264
Teachers – No Local Explicit Subsidy	2,297	31,187	\$53,787	\$125,856	\$9,510	\$11,587	\$19,243
<b>Total Local</b>	<b>5,161</b>	<b>64,090</b>	<b>\$124,501</b>	<b>\$338,150</b>	<b>\$21,727</b>	<b>\$31,302</b>	<b>\$51,021</b>

# Appendix

## *Results by Employer (Dollars in Thousands)*

### Local Education Employers – State Subsidy and Explicit and Implicit Local Subsidy

Employer	Count		Actuarial Liability				
	Retirees, Vested Terminated & Disabled Employees	Active	Retirees, Vested Terminated & Disabled Employees	Active	Benefit Payment	Normal Cost	ARC
Athens City	16	251	\$506	\$1,340	\$121	\$119	\$198
Bradley	141	963	\$6,959	\$10,710	\$1,223	\$1,187	\$1,941
Bristol	57	403	\$2,743	\$2,863	\$463	\$466	\$705
Campbell BOE	73	590	\$4,834	\$12,875	\$813	\$1,149	\$1,904
Carter	83	870	\$4,762	\$14,063	\$863	\$1,380	\$2,182
Cheatham	31	687	\$2,228	\$15,846	\$429	\$1,690	\$2,461
Cleveland City	52	593	\$2,247	\$6,481	\$513	\$582	\$954
Cumberland BOE	65	956	\$3,948	\$8,830	\$645	\$837	\$1,381
Dyer	29	488	\$1,424	\$10,000	\$396	\$838	\$1,325
Dyersburg City	39	399	\$2,172	\$3,452	\$386	\$258	\$497
Elizabethton	39	294	\$2,168	\$4,587	\$382	\$570	\$858
Fentress	32	261	\$1,858	\$6,465	\$400	\$453	\$808
Franklin Special	52	642	\$2,552	\$9,949	\$560	\$1,155	\$1,688
Giles	52	670	\$3,213	\$12,191	\$637	\$1,101	\$1,758
Grainger	29	467	\$2,261	\$8,599	\$316	\$639	\$1,101
Greene	111	832	\$6,303	\$5,406	\$981	\$598	\$1,097
Greeneville	50	382	\$2,931	\$5,147	\$469	\$779	\$1,124
Hardin	37	494	\$1,884	\$9,152	\$405	\$816	\$1,286
Hawkins	67	1,026	\$3,556	\$18,989	\$820	\$1,734	\$2,695
Henry	43	461	\$2,529	\$6,030	\$477	\$511	\$877
Humboldt	39	228	\$2,325	\$4,037	\$409	\$372	\$643
Humphreys Co BOE	21	462	\$982	\$8,548	\$290	\$702	\$1,109
Jackson-Madison	167	1,065	\$7,491	\$6,904	\$1,307	\$560	\$1,174
Jefferson	51	850	\$2,796	\$13,690	\$588	\$1,517	\$2,219
Kingsport	104	950	\$6,634	\$15,155	\$1,097	\$1,381	\$2,310
Lake	7	130	\$277	\$2,169	\$83	\$158	\$263
Lauderdale	17	613	\$616	\$6,186	\$209	\$426	\$716
Lawrence	47	944	\$2,348	\$21,252	\$656	\$1,651	\$2,657
Lebanon SSD	21	346	\$1,075	\$3,223	\$192	\$330	\$514
Lenoir City	13	235	\$554	\$2,132	\$96	\$170	\$285
Loudon	46	581	\$2,071	\$3,481	\$347	\$335	\$572
Macon BOE	23	547	\$1,121	\$3,884	\$189	\$338	\$551
Marshall	38	746	\$1,885	\$10,458	\$425	\$982	\$1,508
Maury Co BOE	114	1,601	\$7,101	\$18,893	\$1,212	\$1,885	\$2,993
Milan SSD	16	371	\$592	\$7,462	\$201	\$654	\$997
Monroe	43	648	\$2,601	\$13,923	\$508	\$1,178	\$1,882
Moore	4	94	\$261	\$1,929	\$48	\$172	\$265
Overton	22	314	\$996	\$4,433	\$215	\$300	\$531

# Appendix

## *Results by Employer (Dollars in Thousands)*

### Local Education Employers – State Subsidy and Explicit and Implicit Local Subsidy

Employer	Count		Actuarial Liability				
	Retirees, Vested Terminated & Disabled Employees	Active	Retirees, Vested Terminated & Disabled Employees	Active	Benefit Payment	Normal Cost	ARC
Polk Co BOE	32	269	\$1,628	\$3,454	\$320	\$360	\$577
Roane	72	799	\$4,050	\$12,679	\$710	\$1,239	\$1,952
Robertson	72	1,286	\$6,385	\$14,326	\$906	\$1,470	\$2,353
Scott BOE	20	340	\$1,178	\$4,821	\$205	\$429	\$685
Sevier	69	1,708	\$3,439	\$28,029	\$823	\$2,277	\$3,619
Sullivan	370	1,378	\$21,245	\$28,820	\$3,259	\$1,962	\$4,096
Sumner	191	1,942	\$15,441	\$45,664	\$2,585	\$4,807	\$7,412
Tipton	44	1,393	\$1,857	\$11,712	\$418	\$1,086	\$1,664
Tullahoma	46	400	\$3,032	\$7,308	\$538	\$686	\$1,126
Unicoi	21	257	\$1,006	\$2,017	\$161	\$226	\$355
Union County	11	351	\$601	\$3,472	\$105	\$359	\$532
Van Buren	12	131	\$726	\$1,989	\$125	\$189	\$305
Wayne	13	195	\$1,184	\$8,106	\$212	\$517	\$913
Teachers – No Local Explicit and Implicit Subsidy	2,297	31,187	\$87,786	\$186,095	\$15,575	\$16,784	\$28,457
<b>Total</b>	<b>5,161</b>	<b>64,090</b>	<b>\$252,362</b>	<b>\$679,226</b>	<b>\$45,313</b>	<b>\$62,364</b>	<b>\$102,070</b>